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True Confessions

I Own A Mini Conglomerate!

I have spent quite some time putting together a mini-conglomerate. It's a mini because I couldn't afford a bigger one. The way I went about it was to find myself some expert advisors. After dealing with a lot of them I settled on two people: George Gilder and Louis Navellier. George is pretty good at technology but a bit naive about the markets. Louis, on the other hand, even though he is not shy about technology as a Buffet or a Lynch might be, that is not his specialty. He is a really good stock market analyst, actually a very good stock picker. He figures out what works in the market. I don't think these guys ever talk to each other and that is good, it helps them keep their independence.

With the help of these two gurus I ventured out into the market to see what companies might interest me. My mini-conglomerate is into technology, I have dropped everything that is not technology. Mostly it's in Telecosm but it does have a small medical division. The Telecosm division is vertically integrated, from chips to lasers to transmission equipment to service providers.

One very important aspect of running my conglomerate is that I don't mini-manage. I trust my people to run their companies well and this trust, in turn, is reciprocated by excellent returns. I mean, can you imagine me going to Vinnick and telling him how to handle junk bonds? He had the best teacher, Mike Milken, what can I add to that? Or should I try to teach McCaw about cellular and Telecosm? He has done very well without my help, thank you. But I do keep them in line, not by mini-managing their individual business but by the balance of my mini-conglomerate. They get out of Telecosm or whatever their line of business is and I start looking for a replacement.

My mini-conglomerate is doing very well and this leaves me quite some time free for other activities. I'm hoping to get some sailing done after the hurricane season is over, maybe in late November or early December I can sail up the Lesser Antilles. And I basically leave the mini-conglomerate to take care of itself. Each and every board of directors, each and every top line manager and officer, knows what will happen to him if he slacks off. Not only will they lose business but they might get dropped off from my mini-conglomerate and then their precious options will lose value. I have a lot of friends that help me with this. Even though they are brutes, bulls and bears, we get along quite well and between all of us we keep the several boards of directors, and specially the CEO's with their nose to the grindstone.

I really like capitalism,

Denny